

GRACE

W. R. Grace & Co.
7500 Grace Drive
Columbia, MD 21044

Voice: (410) 531-4738
Fax: (410) 531-4522

June 30, 2011

In accordance with the consent decree entered by the court on May 3, 2002 between the EPA and W. R. Grace, I have reviewed the material expenditures in the previous quarter and remaining fund balance available to be spent as of June 30, 2011, as provided by Asbestos Related Health Care Project, Inc. (ARHCP). The review consisted of recalculating the balance of the funds available to be spent based on the supporting documentation.

For the quarter ended June 30, 2011, expenditures totaled \$13,026. Expenditures in the quarter were for payments of claims. Interest income of \$753 was earned during the quarter on the cash balances. The Fund balance as of December 31, 2010 was \$445,788. As of June 30, 2011, the remaining Fund balance available to be spent was \$426,194.

Enclosed with this letter are the ARHCP's financial statements for the quarter ended June 30, 2011, a certification by a Grace corporate official, and a certification by an ARHCP official.

Sincerely,
Josh McElhenney
Finance Manager
W.R. Grace & Co.

W. R. Grace & Co.
7500 Grace Drive
Columbia, MD 21044

June 30, 2011

I certify the information contained in or accompanying this submission is true, accurate and complete. This certification is based on my personal preparation, review or analysis of the submission, and/or supervision of persons who, acting on my direct instructions, made the verification that the submitted information is true, accurate and complete.



William M. Corcoran
Vice President
W. R. Grace & Co. - Conn

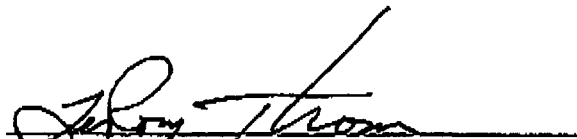
Date: 7/26/11

ASBESTOS RELATED HEALTH CARE PROJECT, INC.
P.O. BOX 848
LIBBY, MT 59923

July 12, 2011

Please find attached the required financial reports for the three months and six months ended June 30, 2011 and 2010.

I certify that the information contained in or accompanying this submission is true, accurate and complete. This certification is based on my personal preparation, review, or analysis of the submission, and/or supervision of persons who, acting on my direct instruction, made the verification that the submitted information is true, accurate and complete.


LeRoy Thom
President

Attachments

ASBESTOS RELATED HEALTH CARE PROJ. INC.

**FINANCIAL STATEMENTS
& SUPPLEMENTARY INFORMATION
(Compiled)**

FOR THE QUARTER & 6 MONTHS ENDED JUNE 30, 2011 & 2010

EDWARD G. STAMY, P.C.

Member:
Montana Society of C.P.A.'s

CERTIFIED PUBLIC ACCOUNTANT
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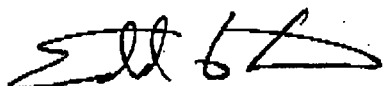
Accountant's Compilation Report**ASBESTOS RELATED HEALTH CARE PROJ. INC.
LIBBY, MT**

I have compiled the accompanying statements of financial position arising from modified cash transactions of ASBESTOS RELATED HEALTH CARE PROJ. INC. as of June 30, 2011 and 2010, and the related statements of activities and changes in net assets for the three months and six months then ended, and the accompanying supplementary information (Pages 5 - 6), which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Certified Public Accountant
July 12, 2011

ASBESTOS RELATED HEALTH CARE PROJECT, INC.**STATEMENTS OF FINANCIAL POSITION -
MODIFIED CASH BASIS**

See Accountant's Compilation Report

ASSETS

	June 30,	
	2011	2010
Cash	\$ 426,194	\$ 460,534
TOTAL ASSETS	\$ 426,194	\$ 460,534

LIABILITIES AND NET ASSETS

Unearned Revenue	\$ 131,318	\$ 169,228
TOTAL LIABILITIES	\$ 131,318	\$ 169,228
Unrestricted Net Assets	\$ 294,876	\$ 291,306
TOTAL LIABILITIES AND NET ASSETS	\$ 426,194	\$ 460,534

ASBESTOS-RELATED HEALTH CARE PROJECT, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

See Accountant's Compilation Report

For the Quarter and Six Months Ended June 30, 2011 & 2010

	2011				2010			
	Current Quarter		Current Year to Date		This Quarter Last Year		Prior Year to Date	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue
UNRESTRICTED NET ASSETS								
Unrestricted Revenues and Gains								
Interest Income	\$ 753	5.5%	\$ 1,527	6.7%	\$ 1,232	7.9%	\$ 2,534	4.7%
Miscellaneous Revenue	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Net assets released from restrictions								
Restrictions satisfied by payments	13,026	94.5%	21,111	93.3%	14,404	92.1%	51,945	95.3%
Total Unrestricted Revenues, Gains, and Other Support	\$ 13,779	100.0%	\$ 22,638	100.0%	\$ 15,636	100.0%	\$ 54,479	100.0%
Expenses								
General & Administrative								
TPA Administrative Expense	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Insurance Expense	-	0.0%	1,127	5.0%	-	0.0%	1,282	2.3%
Accounting Expense	-	0.0%	892	3.9%	1,104	7.1%	2,694	4.9%
Legal Expense	-	0.0%	15	0.1%	-	0.0%	-	0.0%
Recording Secretary Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Postage	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Meeting Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Bank Charges	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total General & Administrative Expense	\$ -	0.0%	\$ 2,024	9.0%	\$ 1,104	7.1%	\$ 3,956	7.3%
Program								
TPA Health Care-screening	\$ 13,026	94.5%	\$ 19,226	84.9%	\$ 4,590	29.4%	\$ 19,402	35.6%
TPA Health Care-supplemental care	-	0.0%	(141)	-0.6%	8,710	55.7%	28,527	52.3%
TPA Health Care-Grace denied, LAMP accepted	-	0.0%	-	0.0%	-	0.0%	15	0.1%
Peer Review Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Program Expense	\$ 13,026	94.5%	\$ 19,085	84.3%	\$ 13,300	85.1%	\$ 47,944	88.1%

ASBESTOS RELATED HEALTH CARE PROJECT, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

See Accountant's Compilation Report

For the Quarter and Six Months Ended June 30, 2011 & 2010

	2011				2010			
	Current Quarter		Current Year to Date		This Quarter Last Year		Prior Year to Date	
	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue	Amount	% to Revenue
Total Expenses	\$ 13,028	94.5%	\$ 21,115	93.3%	\$ 14,404	92.1%	\$ 51,945	95.3%
Increase in Unrestricted Net Assets	\$ 753	5.5%	\$ 1,521	6.7%	\$ 1,232	7.9%	\$ 2,534	4.7%
TEMPORARILY RESTRICTED NET ASSETS								
SEP Funds	\$ 13,028		\$ 21,115		\$ 14,404		\$ 51,945	
Lincoln Co. ARD Task Grant	-		-		-		-	
Net assets released from restrictions								
Restrictions satisfied by payments	(13,028)		(21,115)		(14,404)		(51,945)	
(Decrease) in Temporarily Restricted Net Assets	\$ -		\$ -		\$ -		\$ -	
Increase in Net Assets	\$ 753		\$ 1,521		\$ 1,232		\$ 2,534	
Net Assets, Beginning of Period	294,123		293,355		290,074		288,772	
Net Assets, End of Period	<u>\$ 294,876</u>		<u>\$ 294,876</u>		<u>\$ 291,306</u>		<u>\$ 291,306</u>	

SUPPLEMENTARY INFORMATION

ASBESTOS RELATED HEALTH CARE PROJECT, INC. **Health Care and General & Admin. Expense Trends**

